ACE® American Council on Education®

TALKING POINTS

THE BIPARTISAN WORKFORCE PELL ACT

Background

On Dec. 6, 2023, Rep. Elise Stefanik (R-NY) introduced H.R. 6585, the Bipartisan Workforce Pell Act. The bill was cosponsored by Rep. Foxx (R-NC), Rep. Scott (D-VA), and Rep. DeSaulnier (D-CA). As drafted, the bill is intended to provide undergraduate students with the opportunity to use the Pell Grant for short-term programs, including those offered through distance education, that range in length between either 150 to 600 clock hours or between eight and fifteen weeks.

- In the Higher Education Act, students are able to take federal funds and utilize them at the postsecondary institution of their choice in an effort to increase access to postsecondary education.
- In order to ensure that all students can achieve their own American dream, it is vitally important that they have access to the postsecondary programs that are best for them.
- The labor force is increasingly looking for employees with specific skills that can be obtained with some postsecondary education short of a degree, and it is important to ensure that students have the opportunity to pursue their individual educational goals.
- Low-income students who desire to receive a credential or enter into a shorter-term program should have the same access to the Pell Grant as any student in a degree program because their financial need does not change based on the program they pursue.
- Expanding Pell eligibility to short-term programs has long been a priority for ACE, and this legislation would create such a pathway while implementing some reasonable safeguards to protect students and taxpayers.
- As with any complex piece of legislation, there are areas in the legislative text that we believe could be improved, or where the likely consequences aren't fully understood.

Issues with the Bill

Section Seven: Offset Language

- Section 7 of the bill includes an extremely problematic approach to funding the expanded eligibility, which the higher education community strongly opposes.
- H.R. 6585 would prohibit any institution subject to the endowment excise tax from participating in the Stafford and PLUS federal student loan programs and would prohibit parents of their students from participating in the Parent PLUS loan program if their child is a Pell recipient.
- In addition, institutions participating in the Supplemental Educational Opportunity Grant (SEOG) program would need to provide emergency funding to students out of institutional funds equal to the funding SEOG provides or lose eligibility.

- Institutions participating in SEOG must maintain or increase the percentage of their undergraduate students receiving Pell grants at or above the institution's level at the time of the bill's enactment or lose eligibility.

- This approach is an unprecedented shift from providing financial aid to students on the basis of their individual need, and toward a system where Congress picks which favored institutions can participate.

- This approach undermines the decades-long approach that has prioritized the ability of students to choose the institution that best fits them and tailoring federal aid based on an individual student's needs.

- Unfunded mandates on institutions to provide funding they may not have just to maintain the financial aid funds their students rely on will have a disproportionately harmful impact on lower-resourced institutions and their low-income students.

- If the sponsors believe that Pell Grant recipients should have access to emergency funding, they can advance any of the numerous proposals introduced in Congress over the years to create and fund such a program. Offloading the responsibility to institutions is a counter-productive and harmful approach.

Other Concerns

- While the intent of this bill is laudable, as written it could create potential unintended, negative consequences unless amended.

- Our concerns include:

    - Issuing mandates on transfer-of-credit policies with the potential to interfere with institutional and programmatic accreditation;

    - Establishing eligibility benchmarks around completion, earnings, and hiring rates that do not account for economic shifts or unforeseen circumstances and are not in the control of the institution, which may subject the program to closure;

    - Instituting price controls on the tuition and fees of programs subject to the median earnings of students three years after they complete a program when those median earnings can fluctuate from year to year.